

**NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY**

**Minutes of the Wednesday, August 23, 2023 Meeting**

**Page 1**

**DRAFT**

A regular meeting of the Nevada Commission for the reconstruction of the V&T Railway was held at 9:00 a.m. on Wednesday, August 23, 2023, in the Community Center Robert “Bob” Crowell Boardroom, 851 East William Street, Carson City, Nevada.

The meeting video is available on Carson City’s website by clicking on the link below:

[https://carsoncity.granicus.com/player/clip/2286?view\\_id=2&redirect=true&h=b1daaa2a038970c933a5f2df268c2197](https://carsoncity.granicus.com/player/clip/2286?view_id=2&redirect=true&h=b1daaa2a038970c933a5f2df268c2197)

**PRESENT:** Chairperson David Peterson  
Vice Chair Clay Mitchell  
Secretary Stephanie Hicks

**CITY STAFF:** Mihaela Neagos, Deputy District Attorney  
Tamar Warren, Senior Deputy Clerk

**1 – 3. CALL TO ORDER, ROLL CALL AND DETERMINATION OF A QUORUM, PLEDGE OF ALLEGIANCE**

(9:03:51) – Chairperson Peterson called the meeting to order at 9:03 a.m. Roll was called and a quorum was present. Treasurer Leah Kruse and Commissioner Michelle Schmitter were absent. Chairperson Peterson led the Pledge of Allegiance.

**4. PUBLIC COMMENT**

(9:04:38) – Chairperson Peterson entertained public comments; however, none were forthcoming.

**5. FOR POSSIBLE ACTION: APPROVAL OF MINUTES – JULY 26, 2023.**

(9:04:52) – Chairperson Peterson introduced the item and entertained comments, changes, or corrections on the minutes which are incorporated into the record. Treasurer Hicks noted two typographical errors which have since been corrected. Chair Peterson explained that moving forward, the minutes should reflect Commissioner Hicks’ title as Secretary. He also entertained a motion.

**(9:06:15) – MOTION: Secretary Hicks moved to approve the minutes of the July 26, 2023 meeting as corrected. The motion was seconded by Vice Chair Mitchell and carried 3-0-0.**

**6. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE V&T STATEMENT OF ACCOUNTS PAYABLE CHECKS PAID JULY 1-31, 2023.**

(9:06:37) – Chairperson Peterson introduced the item and referenced the accounts payable checks totaling \$69,976.29, which were paid between July 1 and July 31, 2023, adding that of that amount, \$39,268.95 were for FY 23 expenses. There were no Commissioner comments; therefore, he entertained a motion.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY

Minutes of the Wednesday, August 23, 2023 Meeting

Page 2

DRAFT

(9:07:21) – **MOTION:** Secretary Hicks moved to approve the statement of accounts payable checks paid July 1-31, 2023. The motion was seconded by Vice Chair Mitchell and carried 3-0-0.

**7. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING THE ADJUSTED V&T FISCAL YEAR (“FY”) 2022/2023 BUDGET REPORTS, PERIOD ENDED JULY 31, 2023.**

(9:07:46) – Chairperson Peterson introduced the item and noted that the adjusted revenue totaled \$1,000.00 and the expenses totaled \$31,707.34. He entertained questions and/or comments and when none were forthcoming, a motion.

(9:08:23) – **MOTION:** Vice Chair Mitchell moved to approve the adjusted FY 2022/2023 Budget Report for the period ending July 31, 2023. The motion was seconded by Secretary Hicks and carried 3-0-0.

**8. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED AGREEMENT FOR ON-CALL ENGINEERING SERVICES BETWEEN THE V&T COMMISSION AND KL DORR CONSULTING, LLC, FOR A NOT TO EXCEED AMOUNT OF \$15,000 AT A RATE OF \$150.00 PER HOUR FOR ENGINEERING SERVICES AND \$90 PER HOUR FOR DRAFTING SERVICES, FOR FISCAL YEAR 2023-2024.**

(9:09:37) – Chairperson Peterson introduced the item. Treasurer Hicks gave background and reviewed the Staff Report information, incorporated into the record. She also highlighted the marked-up changes to the contract (incorporated into the record) by Engineering Consultant Ken Dorr (KL Dorr Consulting, LLC). Mr. Dorr explained that he should no longer be listed as the “Principal Railroad Engineer on the Bridge and Structures Management Plan.” He highlighted some of the additional changes he had submitted to the proposed contract, noting that he did not plan on carrying the required insurance as well. Mr. Dorr offered to assist in any way possible “in the next few months to transition.”

(9:17:27) – Ms. Neagos clarified that the deletions of the workers’ compensation insurance paragraphs required the signing of an Affidavit of Rejection of Coverage for Workers’ Compensation per the Nevada Revised Statute (NRS) Chapter 616A.310. She also stated that she could not “advise the Commission to go forward with professional services that are not covered by professional liability insurance.” Ms. Hicks thanked Mr. Dorr for his willingness “to help us with this next project and the transition to someone else.” She stated that it was “very rare but not a complete ‘no’ to exclude either of these two things [insurance coverages] but it really depends on that scope of work.” She cited the construction management as one that could possibly forgo the specific coverage; however, it could not apply to engineering or design projects and the bridge inspection.

NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY

Minutes of the Wednesday, August 23, 2023 Meeting

Page 3

DRAFT

(9:22:22) – Mr. Dorr cited NRS 622 and noted that had he known, he would have informed the Commission that he did not carry the required liability insurance. Ms. Neagos mentioned the annual bridge inspection and wished to understand the deadline for the inspection. It was noted that the timeframe was about a year to engage another engineering firm to perform the inspection. Ms. Neagos highlighted the proposed amendment to the contract which had deleted the following paragraph: *The Engineer shall not subcontract any substantial portion of this Agreement without the Commission's prior written consent.* Mr. Dorr stated that in the past, he had subcontracted subject matter experts to help the Commission. Chairperson Peterson was not opposed to hiring the subcontractors; however, he questioned why the Commission would not be informed. It was suggested Mr. Dorr could build the insurance costs in the proposed contract. The Commissioners were amenable to amending the contract to indicate the completion of the parking lot project only as the scope of work for possibly \$5,000. Mr. Dorr accepted the proposed amendment to complete Task One only, with the subcontractor that he has used in the past, Hanford Consulting, LLC. There were no additional comments. Chair Peterson entertained a motion.

**(9:33:34) – MOTION: Vice Chair Mitchell moved to approve the agreement with the noted changes as discussed on the record. The motion was seconded by Secretary Hicks and carried 3-0-0.** Ms. Neagos stated that she would send the updated contract to Mr. Dorr.

**9. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR WITH CHERYL BAILEY FOR EXECUTIVE ASSISTANT SERVICES, FOR A NOT TO EXCEED AMOUNT OF \$50,000 FOR FISCAL YEAR 2023-2024, AT A RATE OF \$5,000 PER MONTH, WITH THE OPTION TO RENEW FOR THREE ADDITIONAL YEARS IF AGREED UPON BY BOTH PARTIES AND THE RENEWAL IS IN THE BEST INTEREST OF THE COMMISSION.**

(9:34:11) – Chairperson Peterson introduced the item, provided background, and reviewed the job posting and hiring timeline, all of which are incorporated in the agenda materials. He noted that “sponsorships” had been added to Ms. Bailey’s scope of work. Chairperson Peterson also explained that the \$5,000 flat salary for FY 2024 was due to the unknown amount of time Ms. Bailey would spend on her duties, adding that she would be tracking her hours which would be reviewed in a year. There were no additional comments and Chairperson Peterson entertained a motion.

**(9:37:30) – MOTION: Secretary Hicks moved to approve the Contract as proposed and discussed on the record. The motion was seconded by Vice Chair Mitchell and carried 3-0-0.**

**10. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A PROPOSED CONTRACT WITH CJ WILSON, LLC FOR THE POLAR EXPRESS THEATER PRODUCTION SERVICES, FOR A NOT TO EXCEED AMOUNT OF \$115,775, EFFECTIVE TO JANUARY 31, 2024.**

**NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY**

**Minutes of the Wednesday, August 23, 2023 Meeting**

**Page 4**

**DRAFT**

(9:38:16) – Chairperson Peterson introduced the item and reviewed the Agenda Report which is incorporated into the record. He also announced the addition of a fourth train car which resulted in having Carla Wilson (of CJ Wilson, LLC) provide a revised proposal based on the appropriate staffing requirements. Chairperson Peterson believed that the contract might end up in the “\$123,000 range” with the added cost of decorating the depot (to be approved by the Commission at a later date). Secretary Hicks pointed out that Section 4.1.4 included the additional cost of hiring Starsound to set up the sound system for the cast on the train, adding that the updated proposal included an additional night (23 nights total). Chairperson Peterson entertained additional comments and when none were forthcoming, a motion.

**(9:45:39) – MOTION: Secretary Hicks moved to approve the Contract as proposed. The motion was seconded by Vice Chair Mitchell and carried 3-0-0.** Chairperson Peterson offered to inform Rail Events of the contract approval in order for them to begin their preparations.

**11. FOR POSSIBLE ACTION: DISCUSSION AND POSSIBLE ACTION REGARDING A DECLARATION OF DEFAULT OF ROY STREET PROPERTIES, LLC FOR FAILURE TO PAY CERTAIN INSTALLMENTS PROVIDED IN THE PROMISSORY NOTE DATED NOVEMBER 30, 2021, RELATED TO A CERTAIN PROPERTY WITH APN 008-522-15, LOCATED IN CARSON CITY, NEVADA AND AUTHORIZING THE CHAIR TO DELIVER A DECLARATION OF DEFAULT TO THE TRUSTEE OR OTHERWISE INITIATE THE FORECLOSURE PROCEEDINGS.**

(9:46:45) – Chairperson Peterson introduced the item and gave background. He stated that following 6-month delinquency in payment, he was requesting direction from the Commission on whether to send Roy L. Street a notice that a payment balance was immediately due and payable for the APN 008-522-15 property within seven days. He added that the Commission must declare Roy Street Properties, LLC is in default, and authorize the Chair to deliver a declaration of default to the trustee in order to initiate foreclosure proceedings. Additionally, he disclosed that a notice had been mailed to Mr. Street via certified mail followed by an email (with a copy to the Deputy District Attorney) last Monday. Chairperson Peterson explained that similar non-payments had occurred and remedied by Mr. Street at an earlier date.

(9:49:17) – Ms. Neagos presented the Commission with two options since the Commission was still within the seven-day timeframe: Delivery of the notice of default to Mr. Street by Mr. Peterson with the seven-day deadline or agendaize the item for the next meeting to find out whether Mr. Street had made the payments upon receipt of the letter. Vice Chair Mitchell and Secretary Hicks preferred waiting until the next meeting to see whether payment had been made or not because they were within the seven-day timeframe (since the letter had been mailed two days ago). No action was taken on this item.

**12. FOR DISCUSSION ONLY:**

**MONTHLY NON-ACTION ITEMS:**

**a. CHAIR UPDATE ON ENGAGEMENT WITH STATE OF NEVADA AGENCIES WITH COMMON GOALS AND OBJECTIVES REGARDING THE LONG-TERM VIABILITY AND SUSTAINABILITY OF THE V&T COMMISSION OBJECTIVES REGARDING THE LONG-TERM VIABILITY AND SUSTAINABILITY OF THE V&T COMMISSION.**

(9:51:28) – Chairperson Peterson reported on his activities with State agencies. He explained that he had reached out to Myron Freedman, administrator of the Nevada Division of Museums and History; however, he had been informed that Mr. Freedman had submitted his resignation. Chair Peterson believed that an upcoming meeting may not take place until the hiring of a replacement for Mr. Freedman. He also noted that Dan Thielen, Museum Director, Nevada State Railroad Museum had been open to working with the Commission.

**b. OPERATIONS REPORT**

(9:54:19) – Candy Duncan distributed then read into the record the Operations Report submitted by Thomas Gray, Virginia & Truckee Railroad Company as late material, which is posted on the Commission’s website and incorporated into the record. She also noted that she had been answering many Polar Express phone calls and responded to clarifying questions.

**c. TRAIN OPERATIONS REPORT**

Submitted as part of item 12.b.

**d. UPCOMING MEETINGS**

**Commission Meeting on September 27, 2023, at 9:00 am**

(11:04:30) – Chairperson Peterson read the item into the record as a reminder. Vice Chair Mitchell noted that it would conflict with the Nevada Association of Counties meeting; however, he might be able to call into the meeting.

**13. COMMISSIONER COMMENTS, ANNOUNCEMENTS, AND REQUESTS FOR INFORMATION FROM STAFF.**

(10:05:35) – Ms. Hicks reported that the pre-construction meeting had gone well at the site. She also noted that the City planned to issue a precautionary press release to make users of the Carson City airfield or landfill aware of the closures and the inconveniences during the construction. Vice Chair Mitchell thanked everyone for “all the good work that’s been done.”

**CLOSED NON-MEETING TO CONFER WITH OPERATIONS MANAGER AND COUNSEL:**

**FOLLOWING A RECESS OR ADJOURNMENT, THE V&T COMMISSION MAY GATHER TO MEET WITH ITS OPERATIONS MANAGER OR TO RECEIVE INFORMATION FROM AN ATTORNEY EMPLOYED OR RETAINED BY THE**

**NEVADA COMMISSION FOR THE RECONSTRUCTION OF THE V&T RAILWAY**

**Minutes of the Wednesday, August 23, 2023 Meeting**

**Page 6**

**DRAFT**

**COMMISSION REGARDING POTENTIAL AND/OR EXISTING LITIGATION INVOLVING MATTERS OVER WHICH THE PUBLIC BODY HAS SUPERVISION, CONTROL, JURISDICTION OR ADVISORY POWER AND TO DELIBERATE TOWARD DECISIONS ON THE MATTERS.**

This item did not take place.

**14. PUBLIC COMMENT**

(10:07:04) – Chairperson Petersen entertained final public comments; however, none were forthcoming.

**15. FOR POSSIBLE ACTION: TO ADJOURN**

(10:07:16) – Chairperson Peterson adjourned the meeting at 10:07 a.m.

The Minutes of August 23, 2023, Nevada Commission for the Reconstruction of the V&T Railway meeting are so approved this 27<sup>th</sup> day of September, 2023.

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STEPHANIE HICKS, Secretary